

STATE OF MARYLAND
DEPARTMENT OF HUMAN RESOURCES

PRE-PROPOSAL CONFERENCE
PRIVATIZATION OF CHILD SUPPORT
IN BALTIMORE CITY

CONTRACT NO. CSEA/PR/11-001-S

Maryland Department of Human Resources
Procurement Services
311 W. Saratoga Street
Baltimore, MD 21201

Monday, May 17, 2010

WHEREUPON,

Pursuant to Notice, the above-entitled
meeting was held at 2:30 p.m., there being present the
following parties:

FROM DHR:

MICHAELINE D. LEHMUTH, PROCUREMENT OFFICER
LARRY INGRAM
JACKIE JORDAN
DONNA FOSTER

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GINA HIGGINBOTHAM
JOSEPH JACKINS
SANDY JOHNSON

ALSO PRESENT:

AMY GOBER, CENTER FOR THE SUPPORT OF
FAMILIES

DOUGLAS MUNRO, INTERGROUP SERVICES
SANDRA SMOLNICKY, DOCKSIDE SOLUTIONS
MARY ANN WELLBANK, YOUNG WILLIAMS
SHARON WARE, POLICY STUDIES, INC.
DAWN BURKE
THOMAS HARDNETT, LITTLE DIMPLES II
CHERISE JAMES
DEBBIE ROCK
DAVID SAIDEL
ALEXIS COATES

REPORTED BY: CHRIS HOFER, NOTARY PUBLIC

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P R O C E E D I N G S

MS. LEHMUTH: Good afternoon everybody, and welcome to the Department of Human Resources. Today we are sharing information concerning the solicitation for the privatization of child services in Baltimore City RFP. The agency control for the request for proposal, RFP, is CSEA/PR/11-001-S. Please -- can you hear me now? Please, on any correspondence please put that agency control number on there, not the one that says N00R. That's just for our department's information. Please note that Hunt Reporting is recording the conference. If you are asking a question please identify yourself and your company, and record each time you ask a question.

As we progress through the agenda you will be given an opportunity to ask any questions after the specification section so please hold your questions until then.

As soon as possible after this conference, a copy of the transcript of the conference, a summary of the conference, and available questions and responses,

list of attendees, as well as any amendments to the RFP, will be issued and posted on the DHR website and eMaryland Marketplace. Continue to check these sites for updates and changes in reference to the RFP.

At this time I would like to introduce representatives of the Department. Again, my name is Michaeline Lehmuth. I will be the procurement officer for the solicitation and we'll through the head table for everybody can identify themselves.

MS. JORDAN: Jackie Jordan, Procurement Division.

MS. FOSTER: Donna Foster, Minority Business Enterprise Administrator, DHR.

MS. BRICE: Sarah Brice, Director and special contact in training, and the State project manager.

MS. HIGGINBOTHAM: Gina Higginbotham, Deputy Executive Director for Programs here at CSEA here in Maryland.

MR. INGRAM: Larry Ingram, the Program Manager of hiring agreements here at DHR.

MS. LEHMUTH: Thank you very much. Also, we would like to have one representative from each vendor at this time introduce themselves and your company. Please indicate whether you are an MBE member.

MS. GOBER: Amy Gober, Center for Support of Families, and we are a minority business in Maryland.

MS. LEHMUTH: Second row, please?

MR. MUNRO: Doug Munro, InterGroup Services, yes we are, we're a WBE, yes.

MS. SMOLNICKY: Sandra Smolnicky, Dockside Solutions, we're a WBE.

MS. WELLBANK: Mary Ann Wellbank with Young Williams, and we're based in Jackson, Mississippi.

MS. WARE: Sharon Ware with Policy Studies in Maryland.

MS. BURKE: Dawn Burke with (unintelligible). MR. HARDNETT: Little Dimples II Corporation, and we're MBE.

MS. JAMES: Cherise James (unintelligible), we are an MBE.

MS. ROCK: Debbie Rock, (unintelligible).

VOICE: (Unintelligible).

MR. SAIDEL: David Saidel, (unintelligible).

MS. LEHMUTH: Anybody else in the back?

Okay, thank you very much. I'm glad to see so many MBEs are here to help us.

The Department of Human Resources Child Support Enforcement Administration intends to require contractual services for the purpose of managing and operating the Baltimore City Office of Child Support Enforcement, BCOCSE are the initials. These services include locating parents, establishing paternity and support orders, enforcing support orders, and case review for possible modification of support orders.

Information of note, the closing date and time for the receipt of proposal is 2:00 p.m. on Monday, June 7, 2010. Please be aware that if your proposal is late they will not be accepted.

The contract award as a result of the solicitation shall be for three years, plus a 45-day transition period beginning on or about August 16, 2010 and ending September 30, 2013. In addition,

there will be two one-year renewal options, which may be exercised at the sole discretion of the Department. It is anticipated that a single contract will be awarded as the result of this solicitation.

All corporations doing business in Maryland are required by law to be registered with the State Department of Assessments and Taxation, as well as the Department of Labor, Licensing, and Regulation, and have a resident agent. If you are unsure of your status, please call the Department of Assessments and Taxation at 410-767-1340 prior to the due date of the receipt of proposals. You must make sure that all tax obligations to the State Department of Assessments and Taxation have been met. Please use your full corporate name on all documents referring to the RFP. Failure to satisfy your tax obligation may result in your proposal being deemed unsuccessful.

At this time I'd like to turn the podium over to Larry Ingram, who will talk to you in regards, about hiring agreements.

MR. INGRAM: Thank you.

MS. LEHMUTH: You're welcome.

MR. INGRAM: Good afternoon, again. I'm Larry Ingram, Program Manager for Hiring Agreements at the State of Maryland Department of Human Resources. May I just ask briefly among the bidders, how many are familiar with hiring agreements? A show of hands? One, two, all right. For those of you who are not familiar with hiring agreements, I'm going to start and just give a little historical piece of it. Just a brief excerpt, if you will.

A hiring agreement, as it relates to this solicitation, originated out of legislation going back many years ago, 1997 to be precise. However, May of 2009, House Bill 268 was passed into law. And what I'm going to speak with you today is basically going to summarize the offeror or bidder who is the awardee of this contract, the responsibilities under that procurement article.

If you would look on the left hand side of your folder, the first item there is the solicitation clause. And this is basically put in place so that

you the bidder will know where the law is located that requires your participation. And it says thusly, "By submitting a bid proposal in response to this solicitation the bidder or offeror agrees to execute and comply with the enclosed Maryland Department of Human Resources, DHR, hiring agreement. The hiring agreement is to be executed by the bidder or offeror and delivered to the procurement officer within ten days of receipt of notice by the bidder or offeror that it's being recommended for contract award. The hiring agreement will become effective concurrently with the award of the contract. The hiring agreement requires that the contractor and the Department of Human Resources will work cooperatively to promote hiring by the contractor of qualified, entry level, Maryland temporary cash assistance recipients to fill entry level job openings resulting from this procurement in accordance with Section 13-224 of the State Finance and Procurement Article."

And I want to add that through the passage of House Bill 268 the population that we serve, or the

candidates that will be considered for your positions, has expanded. We are now providing services for the Foster Care Unit, between the ages of 18 to 25, as well as the child support obligor, in other words the child support noncustodial parent. This legislation covers that group, whereby we're required to find jobs for them. Also, the legislation requires that we go back as far as five years to look at former TCA recipients as well as their family members.

I'm going to interject pretty briefly here. Along with Section 13-224 of the State Finance and Procurement Article there are at least two other procurement articles that relate to hiring agreements, and that would be what we call the Old House Bill 1059, which is actually a new Section 5-304(b) of the Human Services Article. This law was initiated by the Legislature also. All three were in this last piece of legislation, under House 268. So what relates directly to you, again, is Section 13-224 of the State Finance and Procurement Article, Section 5-304(b) requires State agencies, the major State

agencies, to refer all of their job openings to our office so that we may find jobs for that population group also. And those grades are usually running between grades one through eight, and also known as the interview and hire category.

One additional piece that goes with this legislation would be Article 5-304©, whereby the Legislature requires the local departments to set up a hiring plan with local governments. In Maryland there are twenty-four jurisdictions, each local department is required to establish a hiring plan whereby the Maryland Association of Counties, or MACo, will be able to hire those population groups mentioned into their local government. And so under House Bill 268 there is a three-fold piece. You're talking about State contractors, which is what the bidder of today would be in, that's the category you would be in, the State agencies, and the local governments. And again, those groups are for foster care, current TCA recipients and their family members, former TCA recipients and their family members, and the child

support obligors.

Comment or question at this point?

All right. Under, on the same left hand side of the packet, underneath you'll see a contract. If you would turn to page three, line item five, it says, "agree to consider filling a minimum of blank of the job openings with local departments' referred candidates provided the local department refers qualified candidate within three working days." And on the very, a number must go here or the contract is not valid. Whatever you anticipate may be a reasonable number that your company would need to hire for the contract would go here. And the last page, of course, is the signature pages where the company representative would sign.

On the right hand side of the folder you'll see the sample letter. This is the intro letter that we send to the awardees inviting them to the program. Under the sample letter is the recruitment information and instructions for hiring agreement contractors. This is an overview of how the plan and the procedure

works.

The third item on the right hand side is the actual job order. You will be provided with copies of this form so that as you have a need to hire you would fill it out and forward it to our office and allow us at least three working days to either send you candidates for the position or we will send you a waiver saying that you have met the requirements of the law for this position or these positions at this time.

The next item down under the job order form is what we call the Maryland TCA Applicant Referral Dataflow Form. On this form if you accept candidates and none of them qualify we are asking that you keep a record of who you interview and the reason for not hiring them.

The last item on the right hand side has to deal with tax credits. Did you know that your company could get up to as much as \$8,500 in tax credits by hiring one TCA recipient, or one of those qualified candidates in the candidates pool? That's \$8,500

expanded over two years. Which is a win-win for everyone.

I wanted to, I wanted to emphasize also that when you receive, when we receive a notice from you and we send candidates to you, we're asking that you make a determination as to whether the person is qualified or not. And if they are qualified, and meet your specifications, we are asking that, as the law requires, that you hire them.

Comment? Thank you for your time, and success to you.

MS. LEHMUTH: Thank you, Larry.

MR. INGRAM: All right.

MS. LEHMUTH: Thank you, Larry, I appreciate that. At this time I also would like to recognize a gentleman who is in our audience. His name is Joe Jackins, he's Executive Director of CSEA and he'll be sitting with us this afternoon.

At this time we would like to go over the living wage, and Jackie Jordan will be discussing that. Jackie?

MS. JORDAN: Good afternoon. Again, my name is Jackie Jordan and I will be giving you a brief overview of Maryland's Living Wage Law, which has been in effect since October 1, 2007. The law applies to State services contracts and subcontracts for services awarded on or after October 1, 2007 under COMAR Title 21, which is the State of Maryland's Procurement Regulations.

The living wage does not apply to the following services contracts: contracts that are under \$100,000 of value, contracts that are under \$500,000 in value if the contractor has ten or fewer employees. It does not apply for services contracts that are of an emergency, such as emergency procurements, which are needed for immediate services to prevent or respond to an immediate threat to public health or safety. It does not apply to contracts that are less than thirteen weeks in duration. The living wage does not apply to contracts with a public service company, such as a utility company. It does not apply to a service contract with nonprofit organizations. It

does not apply to contracts between units where there is an interagency agreement involved. It does not apply to contracts between a unit and a county, or Baltimore City. It does not apply for applications of the COMAR Title 21 for conflict or setting program requirements. Also, agencies exempt from State Procurement Law, such as the University System, Morgan State University, and the Stadium Authority, are not required to comply.

The living wage does apply to the following types of services contracts, assuming that the contract value and the number of employee thresholds are met. Sole source service agreements; service contracts acquired through competitive sealed proposals; competitive sealed bidding; negotiated award after unsatisfactory competitive sealed bidding; expedited procurements; and noncompetitive negotiated procurements of human, social, or educational services. It applies to unsolicited proposals for health or human services, educational services, or business and economic development services, and also

to intergovernmental cooperative purchasing agreements when sponsored by a Maryland agency.

The law requires that contractors and subcontractors pay employees who work under those contracts a minimum wage rate during the term of the State contract. Currently, a living wage payment of \$12.25 per hour or \$9.21 per hour is required depending upon the jurisdiction in which services are being performed. And this is how it works. There are two wage tiers established in Maryland, namely tier one and tier two. Tier one includes Baltimore City, Baltimore County, Montgomery County, Prince George's County, Howard County, and Anne Arundel County. If the services are being performed at any of these areas that I just names then the living wage rate under tier one is \$12.25 per hour.

Tier two is comprised of all of the other Maryland counties that I did not name. And the living wage rate for tier two is \$9.21 per hour. If you business has operations in two areas of Maryland, your tier will be determined by the jurisdiction where at

least 50 percent of your services are being performed. It is up to the contractor to go to the Department of Labor, Licensing, and Regulation, also known as DLLR, website at www.dllr.state.md.us, and click on living wage to find the current living wage rates. Please note that the living wage rates are subject to annual adjustments by DLLR. The contractor cannot increase its commission rate because of this.

In Section 2.35 of the RFP it states that the contract resulting from this solicitation will be in tier one. Attachment P contains the living wage requirements for services contracts and the affidavit of agreement. Please note that if an offeror fails to complete and submit the required minimum wage affidavit the State may determine that offeror to be not responsible. Please read, complete, and submit the living wage affidavit with your technical proposal.

The Commissioner of Labor and Industry has the authority to adjust the living wage rate based upon the consumer price index through this calendar

year. The Maryland Living Wage Law is administered by DLLR.

When you signed in you should have received a yellow handout entitled, "Maryland's Living Wage: Frequently Asked Questions." This handout will contain additional information about Maryland's Living Wage Law. Should you need further information or have additional questions regarding this law, question 36 on the handout includes the contract information for DLLR. Thank you.

VOICE: Can I ask you a quick question?

MS. JORDAN: Yes.

VOICE: On the living wage scale up here you say that activity, you can't scale your collection rate against that rate that you, for the years, the next two or three years?

MS. JORDAN: Okay, I'll tell you that please note that the living wage is subject to annual adjustment by a dollar, but the contractor cannot increase his commission rate because of that. And I'm not sure what your response will be, and I will get

back to you with a response to your question.

VOICE: Yes, I just want to be clear. Your position is 3 percent. If you guys access to go up, the living wage go up, to \$9.25 we can't go up to 3.1, we have to stay stagnant in growth?

MS. JORDAN: Yes.

VOICE: That doesn't make good business sense.

MS. JORDAN: Yes.

VOICE: That's not a --

MS. JORDAN: You would have to, you can't increase your rate.

VOICE: That doesn't make, I mean --

MS. JORDAN: Well I don't, I don't really have all the details. But your question will be answered and we will get back to you on that. Okay? Thank you.

MS. LEHMUTH: Thank you, Jackie.

MS. JORDAN: Oh, can you identify yourself?

MR. COATES: Alexis Coates from
(unintelligible).

MS. JOHNSON: (Unintelligible). You build it into your cost. Anticipate that the rate will increase or will not. It needs to be, because once your contract is in place you cannot modify, we will not modify your contract if the living wage goes up. So it needs to be built into your cost.

MR. COATES: The living wage only goes up 2 or 3 percent.

MS. JOHNSON: Since '07 I believe it's gone up once.

MS. JORDAN: Once, it's gone up once.

MS. JOHNSON: All right, so it's gone up once. So we have no way of knowing, as she stated earlier, we have no way of knowing whether it's going to go up or it's not going to go up.

MR. COATES: Okay, thank you.

MS. LEHMUTH: An MBE participation goal of 25 percent of the total amount paid to the contractor has been established for this procurement. For the MBE requirements for this solicitation, Donna Foster will present that information.

MS. FOSTER: Good afternoon.

VOICES: Good afternoon.

MS. FOSTER: Yeah, okay, I got --

(Laughter)

MS. FOSTER: That's not bad. That's pretty good, okay? This afternoon I will talk to you about the minority business enterprise portion of this procurement. I know you identified yourself verbally before, but by a show of hands, those that are state certified MBE, would you just raise your hand? Excellent, excellent, that's wonderful. I congratulate you. And you are encouraged to use this time as a networking opportunity as well. After the pre-proposal conference, as long as the room is available, please take advantage of this opportunity.

I'm not going to ask you follow along in the RFP, however the majority of the information can be found in Section 2.29 and Section 2.31 of the RFP, and Attachment F as an exhibit to the solicitation, Minority Business Enterprise Participation. Minority, any changes that are discussed here today will be

forwarded to you via an amendment to the RFP.

Minority business enterprises are encouraged to respond to this solicitation, and by your show here today we can tell that you're interested. The first thing I want to talk about is minority business enterprise participation. The offeror shall structure its procedure for the performance of the work required in this contract to attempt to achieve the minority business enterprise goal stated in this request for a proposal. The minority business enterprise participation goal for this procurement is 25 percent. And by submitting a response to this solicitation the bidder or offeror agrees that this dollar amount of the contract will be performed by certified minority businesses.

Okay, there's also subgoals attached to this procurement. Seven percent for African American businesses, and 10 percent for women owned businesses. Again, the goal for this procurement is 25 percent, 7 percent for African American, and 10 percent for women. By submitting a response to this solicitation,

the offeror agrees that these dollar amounts of the contract will be performed by certified minority businesses.

If you are a prime contractor you must accomplish the amount of work associated with the subcontract with another State certified MBE. If you are combined as a joint venture, again, you must meet the MBE goal with another State certified MBE.

In these sections there are definitions listed that are there for your information and clarification. The next thing I want to talk about is contractor's responsibilities. Offerors, when you agree to submit a response to this proposal you agree to make all good faith effort to carry out the requirements set forth in the solicitation. You will be asked to identify specific work category within the scope of the procurement that are appropriate for subcontracting. You are to solicit minority business enterprises in writing at least ten days before the proposals are due describing the identified work category and providing instruction on how to bid on

the proposal. You shall attempt, or should I should say, attempt to make personal contact with the MBEs solicited and to document these attempts.

Okay, each prime contractor given solicitation documentation as part of the procurement under the MBE subcontract method can obtain information about qualified State certified MBEs by going to the Maryland Department of Transportation MBE directory. Again, the goal for this procurement is 25 percent, 7 percent African American, 10 percent women.

Okay, solicitation and contract formation. This information that's provided in your RFP should be followed very carefully. The first thing that I want to inform you of are documents that are due when you submit the proposal. And that document is the certified MBE utilization and fair solicitation affidavit. This is a very important document. It must be submitted with your proposal. It must be completed accurately and completely.

On this document you have to make a decision. You have to make a decision whether you

will meet the MBE goals as established for the procurement, or you're going to request a waiver in whole or in part. Again, you have to make a choice. When you say, "I acknowledge the MBE goal," you are saying that you will meet the MBE goals established for this procurement. Or, you're going to request a waiver of the goals in whole or in part. In addition, this form also requires that the offeror name the MBEs that are going to be used on the project. They are to include their name, MBE certification number, federal ID number, indicated designation for dually certified MBEs, and percentage of the contract. No dollar values are entered on this document.

You are to complete the final section, which is a summary of MBE participation. Again, it is listed by percentages only. This is an affidavit, so you affirm that the information you are providing on this form to the best of your knowledge, under penalty of perjury. So be very clear and very careful how you complete this form and ensure that it is complete and accurate.

Again, there's language in this proposal that lets you know that if you fail as an offeror to complete and submit this attachment the procurement officers are deemed to offer non-responses or shall determine that the offer is not reasonably acceptable of being selected for award. Okay? Okay, everybody looks like they're still with me, that's good. Okay.

All right, within ten days from notification that you're the apparent awardee from the State, there will be additional documents that you will be asked to provide. One is the outreach efforts compliance form, and the subcontractor project participation certification. In this document you are saying that you as a prime contractor, and you will name a subcontractor who will be participating on this contract for the Department of Human Resources, and there are certain terms that you agree to that are listed on this document. Okay?

If the apparent awardee fails to return each completed document within the required time the procurement officer may determine that the apparent

awardee is not responsible and therefore not eligible for contract award. If the contract has already been awarded, the award is voidable.

I want to put a pin here and say that if on your utilization form you determine that after all good faith efforts that you are going to request a waiver in whole or in part, your documentation does not need to be submitted until you receive notification that you are an apparent awardee.

In addition, there is information in here about amendment of an MBE due to unforeseen circumstances. Any changes to the MBE participation schedule prior to or after contract execution must receive approval in accordance with COMAR 21.11.03.12. The apparent awardee shall immediately notify the procurement officer regarding the MBE changes before execution of a contract, and contractor shall immediately notify the State's project manager regarding MBE changes after the execution of a contract.

Next thing we're going to cover is contract

administration requirements. And basically, this information is provided to let you know the report, the types of reports and the dates that they are due regarding MBE compliance.

The next topic I want to talk about is a waiver. If for any reason an offeror is unable to achieve the contract goal for certified MBE participation, the offeror may request in writing waiver. And there's information listed for the documentation that we're looking for to accompany your request for a waiver. One is a detailed statement of the efforts made to select portions of the work proposed to be performed by certified MBEs; a detailed statement of the efforts made to contact and negotiate with certified MBEs, to include names and addresses, and a description of the information that's been provided to them; as to each certified MBE that submitted a proposal as a response to your solicitation; and any reasons that they were denied. Also, any MBEs that you contacted and it was found that they were unavailable to participate.

The next thing is late payment of subcontractors. This is a very lengthy and detailed section. Pay close attention that, for the requirements for this section. Basically what it says is as a prime contractor, and a subcontractor is working for you, and there no undisputed amounts to be paid, they've done a good job, pay them and pay them promptly. Again, if the subcontractor has performed in accordance to the requirements of the contract, and there are no undisputed reasons for payment, you are to pay the sub and pay them promptly. Again, I say to you, review this section so that you know the requirements and any sanctions that would be imposed if there is not prompt payment. Any questions? Yes, ma'am.

MS. WELLBANK: Mary Ann Wellbank with Young Williams. I just have a quick question. Did you say the MBE directory is on the website of the Maryland Department of Transportation?

MS. FOSTER: Yes, they are the agency that's responsible for State certification of MBEs.

MS. WELLBANK: Oh, okay.

MS. FOSTER: So that's www.mdot.state.md.us.

Yes?

MR. HARDNETT: This 25 percent --

MS. FOSTER: Who did you say?

MR. HARDNETT: 25 percent --

MS. FOSTER: No, who are you --

MR. HARDNETT: My name is Thomas Hardnett with Little Dimples, the 25 percent participation, the current provider, or current awardee, is that an increase from the required participation or is about the same currently?

MS. FOSTER: I believe it's the same. Any other, yes?

VOICE: I believe the RFP had said 7 percent of the goal was women and 10 percent African American?

MS. FOSTER: That's a correction, and it will be sent by the amendment. It's 7 percent African American and 10 percent women.

VOICE: Thank you.

MR. COATES: Just a little bit of clarity,

there are three categories, correct? MBE, 25 percent, African Americans, 7 percent, WBE, 10 percent.

MS. FOSTER: Right.

VOICE: So the total was --

MS. FOSTER: No, the overall goal is 25 percent. And the 7 percent African American and 10 percent is inclusive in the overall 25 percent. So it's more of a subset than a subgoal. It rolls up to the 25 percent.

VOICE: So the ultimate goal has been met at 25 percent?

MS. FOSTER: Yes.

VOICE: No matter how you did, well it depends on how you did it.

MS. FOSTER: Yes. Yes?

MS. WARE: Sharon Ware of PSI. Attachments (unintelligible) was password protected. So we could get it un-password protected so that we could send a form to each of the contractors?

MS. FOSTER: Which form was that? By name, which form was that? The subcontractor participation

certificate?

MS. WARE: Attachment, yeah, G-N.

MS. FOSTER: Okay. Can we?

MS. LEHMUTH: Yes.

MS. FOSTER: Yes. Thank you for your attention.

MS. LEHMUTH: Thank you, Donna. Now I'd like to talk about the requirements of the proposal preparation. The proposal contains two volumes, the technical volume and a financial volume. Technical proposals are to be sealed separately from your financial proposal. Accompanying these two volumes is a transmittal letter. This should be on company letterhead and contain the title of your company, the title of (unintelligible), your federal tax ID number or your social security number, eMaryland Marketplace ID number, and be signed by an individual who is authorized to bind the company to the information contained in the proposal. In addition, the transmittal letter should also acknowledge receipt of any addenda to the RFP that have been issued.

The technical proposal should be organized and numbered in the same order as the requirements section of the RFP. You should detail your overall understanding of the work and describe your organization qualifications as well as the key personnel who would be assigned to the project. You must also demonstrate your capability to perform fully the contract requirements and the fiscal integrity to ensure good, safe performance.

An original, to be so identified, and seven copies of the technical proposal and financial, see Section 4 of the RFP, must arrive to the procurement officer by 2:00 p.m., Monday, June 7, 2010 in order to be considered. Offerors mailing proposals should allow sufficient mail delivery time to ensure timely receipt by the procurement officer. A proposal, or unsolicited amendments to the proposal, arriving after the closing date and time will not be considered. Proposals may not be submitted by email or facsimile.

Financial information should not be present in the main portion of the technical proposal. Your

financial proposal contains all direct and indirect costs associated with providing the services. This portion of the proposal is to be identified as the financial proposal and is to be bound and sealed separately from the technical proposal.

The evaluation procedure. An evaluation committee established by the Department will evaluate all proposals received by the closing deadline. The evaluation committee will rank the proposals according to certain criteria. A recommendation for award will be made based upon which proposal represents the best value to the State. Any proposal found not to be reasonably susceptible of being selected for award will be dropped from further consideration, and the financial volume will be returned unopened.

The evaluation committee will evaluate your technical proposal according to the following criteria, which is listed in descending order of importance: work order for proposed services, Section 5.5A of the RFP; offeror qualifications, Section 5.5B of the RFP; key personnel, Section 5.5C of the RFP;

facilities, Section 5.5D of the RFP; transition plan, Section 5.5E of the RFP; quality assurance, assessment, and audit plan, Section 5.5F of the RFP; and economic benefits to the State, Section 5.5G of the RFP. If necessary, the committee will request clarification for any information in your proposals. In addition, offerors who submit a proposal in response to the RFP may be required to make an oral presentation of the proposal to the evaluation committee, possibly on a short notice. All representations, changes, or information that clarify the proposal made by the offeror during an oral presentation must be reduced into writing. That way it becomes part of the offeror's proposal and then binding if the contract is awarded.

Financial proposals will be distributed to the evaluation committee for all proposals deemed reasonably susceptible of being selected for award following the completion of the technical evaluation. The evaluation committee will review the fixed commission rates and pricing model for the base period

and each option period of each proposal in order to establish a financial ranking of the proposal from highest to lowest. The procurement officer will recommend award of the contract to the reasonable offeror whose proposal is deemed to be the best advantage to the State, considering the technical evaluation factors and price factors as set forth in your RFP. In making the determination the technical factors will be given more weight than the financial factors.

Now I'd like to turn over the podium to Gina Higginbotham, Child Support Enforcement Administration. She'll review section three and the scope of work.

MS. HIGGINBOTHAM: Thank you, Michaeline. Good afternoon, everyone.

VOICES: Good afternoon.

MS. HIGGINBOTHAM: Welcome. The scope is over forty pages. I'm going to go over it one at a time -- just kidding.

(Laughter)

MS. HIGGINBOTHAM: My team is here to answer questions. Mr. Jackins is here. We have quite a few experts in the room so I will be leaning on them if need be after I do a high level overview of the scope.

This is a full service contract. We are asking the contractor to provide services to include intake, locate, establishment, enforcement, medical support establishment and enforcement, review and adjustment, and overall case management. It's very important that you work with partners in these endeavors. We have contracts with local governments, the State's Attorney's Office, Circuit Court Master, Sheriff's Office, clerks of the court. So we are a judicial system and you would have to work within the confines of that, or work to the benefit of that.

We also have a statewide computer system that you would be using and we would be providing training on that. Customer service is extremely important to us, for the entire State but also for Baltimore City. Baltimore City is 89,500 cases with approximately a third of our caseload, so it's very,

very important to us. A good many of those cases are TANF cases, TCA cases, depending on where you are in Maryland we call it Temporary Cash Assistance, the federal term is Temporary Assistance to Needy Families. But it is for those servicing in public assistance.

We require that you have a Child Support First person in each of our local Departments of Social Services. We have eight different locations. Something that's a little bit different from this contract, the Child Support Enforcement Administration will be providing some services that benefit the Baltimore City office. We will be maintaining and supervising a, what we call a court unit. And we will also provide service for undisbursed collections, and an investigations unit. So we will provide those. They will be separate and apart from the services that the contractor is required to provide.

And again, it's very important that you maintain communication, that interface relationship with other agencies. This is much of what we do. If

you are familiar with the Child Support program it's very connected to our sister agencies in Maryland and our local government.

We will want to see your organization structure, how you're going to staff the facilities. There are equipment and software requirements within the RFP. Quality control reviews, internal audit functions, self-assessment, which is a federal requirement that we'll be glad to answer any questions about. There are transition responsibilities in and out, and of course key personnel.

Service level expectation, we have, we want you to meet, meet or exceed minimum performance standards and these performance standards are, the standards themselves, the measurements, are what are defined in the Federal Code of Regulations, the paternity establishment measure, the current support collection -- I didn't write these down so I have to go back and, percentage of cases that you collect on arrears, that are on arrears. And court order, court order establishment, how many cases requiring an order

or under order. Thank you very much.

We want you to maximize collections. We want you to maximize customer service performance. And we want you to minimize undisbursed collections, even though the State will be providing the actual routine work that goes along with that there is case management that can prevent some of that.

Statutory, I'm all the way up to page 35, at least that's my document's page 35, I guess it may depend on your printer. Statutory requirements and service available to program. We have our Voluntary Acknowledgment of Paternity Program, New Hire Program. We have our tax offset program, federal, State, administrative offset program. We have unemployment intercept, lottery intercept, professional license suspension, drivers license suspension, financial institution data match, administrative garnishment, earnings withholding, passport denial, medical support, and credit reporting.

I mentioned self-assessment, we would want you to cooperate with us in that regard.

On page 39 it goes into detail on collect and disbursement. We do have our centralized State Disbursement Unit, that it goes into detail on that. And again, I do have experts in the room if you have questions on some of the, again, we, the Department has a call center and we would like you work closely with us. You are allowed in the contract to establish your own call center, but being able to receive calls through the Department call center, and we would patch them up to make sure those are handled kindly, and accurately, and so on.

On page 57, talk about office space. And we will be collecting -- one line in there, it's, I believe the RFP is asking for private offices for the entire legal unit, and it's only for the eleven attorneys. But we will be sending something out. We are going to confirm exactly what we need and we'll be getting back to you with the specifics on that.

Page 61 it goes into detail on the State operated units, which as I said, Court Units, Investigations Unit, and a Disbursed Collections Unit.

On page 62 it goes into the minimum service level. Again, we have minimum service levels that you must meet or exceed. And we also have measures for incentives. So if you meet or exceed the incentive measure then you can earn \$50,000 per measure.

On page 66 it details the deliverables. Again, I'll just wait to see if you have questions. I can certainly go through them if you like.

Page 67 are transition services, and page 69 are current personnel. Those were the areas that I thought were important to go over, and so we're all available for questions now. If there are areas that you would like us to actually go through in more detail, we'll be happy to do it.

MR. COATES: (Unintelligible), including MBE and WBE, what is the total?

MS. HIGGINBOTHAM: Actually that's probably, to get an exact number --

MR. COATES: Give a round number, just --

MS. HIGGINBOTHAM: A round? I would guess around 170.

MR. COATES: Okay.

MS. HIGGINBOTHAM: Yes?

MR. MUNRO: Doug Munro, InterGroup Services. The name of this RFP, privatization of child support, implies that this service is currently done by the public sector, is that right?

MS. HIGGINBOTHAM: No.

MR. MUNRO: Oh, so it is a private --

MS. HIGGINBOTHAM: Right, it's, I'm sorry, yes. The Baltimore City Office of Child Support has been privatized since, by law, by statute, since 1995.

MR. MUNRO: That's what I thought.

MS. HIGGINBOTHAM: But I think it was actually implemented in 1997.

MR. MUNRO: Yeah, that's what I thought. Okay. That covers it. Okay, thanks.

MS. HIGGINBOTHAM: Sorry to be --

MR. MUNRO: That's all right.

MS. HIGGINBOTHAM: We've lived with it for so long, that's what we call it.

MS. WARE: Sharon Ware, PSI. Do you know

when we might expect the answers to questions we've seen already?

MS. LEHMUTH: Actually, do we have a --

MS. JORDAN: We don't have a deadline date for answering, responding to those questions, but we are working on responses.

MS. WARE: Possibly the end of this week or early next week?

MS. JORDAN: It's possible.

MS. COATES: One other quick question. Have you guys published total spending over the past, I guess it was the past five years, of the current contract? Have you published that number?

MS. HIGGINBOTHAM: Joe, I'll send this to Joe Jackins. Do you have that number to actually publish? I know it gets published somewhere.

MR. COATES: Just generally what the number is.

MS. HIGGINBOTHAM: Maybe in our budget?

MR. JACKINS: I think it was in the cost effective evaluation. We'll have to double check.

But I'm sure, we had a cost effectiveness evaluation done at this operation and there were all kinds of financial figures in that evaluation, and that was made public last fall.

MR. COATES: Okay. Can I send someone that question to try to get that answered. It's just I'm curious --

MS. LEHMUTH: You can send that to me.

MS. HIGGINBOTHAM: I think, and all of these are being recorded --

MS. LEHMUTH: Yes.

MS. HIGGINBOTHAM: -- so we'll have to go back and --

MS. JORDAN: We'll pick up a lot of these questions from the transcript.

MS. LEHMUTH: Correct.

MR. MUNRO: Me again? Doug Munro, InterGroup Services again. Are you in a position who the current prime contractor is? Is it bidding again? And has it done a satisfactory job?

MS. HIGGINBOTHAM: We can tell who, right?

MS. JORDAN: Yeah, we can say who it is.
But we, you can say who it is but not regarding their performance.

MS. HIGGINBOTHAM: Policy Studies, Inc.

MR. COATES: Is that PSI --

MS. HIGGINBOTHAM: Yes. But the proposal date isn't until June 7th. I guess we'll know by then. Yes?

VOICE: Yes, a question about (unintelligible). Does that apply to any subcontractor?

MS. HIGGINBOTHAM: Your question is about Welfare to Work?

VOICE: The tax credit.

MS. HIGGINBOTHAM: Yes, the answer is yes.

MR. INGRAM: (Unintelligible).

MS. HIGGINBOTHAM: It does not apply to the nonprofit. Yes?

MR. COATES: The other question, I saw you published in the RFP about the distance, the facility within a certain radius of the courthouse or

something? What is that, what is that distance? Is that, like, a mile? I'm just curious. Is it, like, a mile? I'm just curious. And I guess whoever wins the contract, the new contractor would be prepared to go to that new location?

MS. HIGGINBOTHAM: I think the current location is within the vicinity of the courthouse. Is it in that radius? Do you know what it is? I'm going to ask Sarah Brice if she --

MS. BRICE: It's just a few blocks, within -
-

MS. HIGGINBOTHAM: Are you asking what we, what our requirement is?

MR. COATES: Yeah, and I didn't see any, because --

MS. HIGGINBOTHAM: Did you want to get back to me on that one?

MR. COATES: There are places at the waterfront, you can go to the waterfront where you can park right next to the courthouse.

MS. HIGGINBOTHAM: Right. We'll get back to

with specifics on what our parameters might be for the distance. Is that what you're asking?

MR. COATES: Yes.

MS. HIGGINBOTHAM: Okay, we'll get back to you on that.

MR. COATES: And that tax credit piece, the tax credit piece for the local recipients, does that pay, play heavy onto your evaluation of the awardee of this contract? If you can show that you tend to employ a larger portion of TSA or people that, and you intend to employ them, does that weigh on the evaluation piece?

MR. INGRAM: It does not bear any weight at all on the decision of the award.

MS. LEHMUTH: The RFP will be evaluated on the evaluation criteria that we will check, the evaluation criteria that we mention in here, and that's how the evaluation committee will rank the proposals.

MS. HIGGINBOTHAM: Any other questions? Well, that was easy. All right, you're going to do a

closing here? Okay, thank you.

MS. LEHMUTH: Thank you, Gina. At this time we'll ask again is there anybody who has any more questions?

MR. HARDNETT: I just want to know if you're going to publish the sign in sheet and will you send it out electronically?

MS. JORDAN: It's going to be published --

MS. LEHMUTH: It's going to be published in eMaryland Marketplace and on our website, yes. At this time please remember that the closing date and the time for receipt of the proposal is -- oh, I'm sorry?

MS. WARE: Question about --

MS. LEHMUTH: Yes?

MS. WARE: Oh, Sharon Ware, PSI, the list of criteria for the technical you gave us in order of importance, is there any break out in some percent that goes to these?

MS. JORDAN: They're ranked according to the, by descending order. And there's no scoring,

it's just a ranking. Is that what you're asking?

MS. WARE: Yes, just is there ten points for one, and --

MS. LEHMUTH: No.

MS. JORDAN: No.

MS. LEHMUTH: No, it's not done that way.

MS. WARE: Thank you.

MS. LEHMUTH: You're quite welcome. The proposals are due -- yes, sir? In the back?

VOICE: I have a question with regard to transitions. Will the committee be judging the transitioning cost separate? Because the incumbent will incur no cost for that transition and all the new participants would incur some cost, which would lead to an unfair process.

MS. JORDAN: No.

MS. LEHMUTH: No.

MS. HIGGINBOTHAM: No.

MS. JORDAN: No it will not be evaluated based on just transition cost, transitioning in and transitioning out.

MS. LEHMUTH: Correct. Does that answer your question?

MS. JORDAN: No?

MS. LEHMUTH: The evaluation committee will not transition out the transition cost while they evaluate. That --

MS. JORDAN: No, sir --

VOICE: (Unintelligible). Because there's a cost associated with transitioning for a newcomer and that price will be relevant in our final number, versus the incumbent currently has a, currently has the people available and we would have to incur costs to get --

MS. LEHMUTH: We'll have to get back to you, sir, on that question. Yes, sir? Do you have -- okay. Again, I would like to thank you all for coming and just remind you that the receipt of proposal is due at 2:00 p.m. on Monday, June 7, 2010. And again, thank you for your interest in doing business with the State of Maryland.

(Whereupon, the above-named pre-bid

meeting was concluded at 3:33 p.m.)

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CERTIFICATE OF NOTARY

I, CHRIS HOFER, NOTARY PUBLIC, the officer before whom the foregoing testimony was taken, do hereby certify that the witness whose testimony appears in the foregoing transcript was duly sworn by me; that the testimony of said witness was taken by me by stenomask means and thereafter reduced to typewriting by me or under my direction; that said testimony is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this testimony is taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of the action.

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